Dated: 1 Jan 2026

JSW Cement (JSWCEMEN) - BUY

Initiating Coverage

Current Market Price (CMP)	Target Price
Rs.119	**Rs.135**

Rationale:

- JSW Cement is India's largest manufacturer of GGBS, with ~84% market share in FY25, and ~40% of total external volumes.
- A niche high-growth product, GGBS is manufactured from slag and commonly used as a substitute for cementitious products in concrete mixes.
- Company has long-term contracts with group entity JSW Steel (JSTL), India's largest steel company, for slag procurement.
- Company is present in south, east and west regions with a capacity of 21.6 mtpa; we expect it to raise capacity to ~32/42 mtpa in phases to become a pan-India player.
- We forecast 12%/18% volume/EBITDA CAGR over FY24-28E.
- We initiate with a BUY rating and an FV of Rs135, implying 8.5x EV/EBITDA FY28E.

Positives:

- We expect GGBS demand to grow in mid-double digits over FY25-28E given cost advantages, low penetration and favorable characteristics.
- Limestone availability provides strong growth visibility.

Negatives:

- We expect FCF to be negative over next 3 years on the back of planned expansions.

(GGBS: Ground Granulated Blast Furnace Slag; EV: Enterprise Value; EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization; CAGR: Compound Annual Growth Rate; FCF: Free Cash Flow; MTPA: Million Tons Per Annum; 1 million: 10 lakh)

Holding Period: 12 months